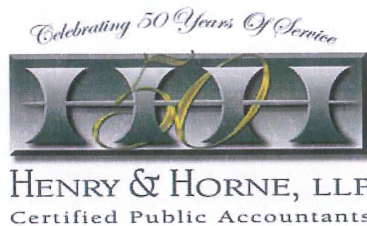


**CITY OF AVONDALE, ARIZONA
REPORT ON AUDIT OF ANNUAL
EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2010**

**CITY OF AVONDALE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2010**

Contents	Page
Independent Auditors' Report	1
Annual Expenditure Limitation Report - Part I	2
Annual Expenditure Limitation Report - Part II	3
Annual Expenditure Limitation Report - Reconciliation	4
Note to Annual Expenditure Limitation Report	5



INDEPENDENT AUDITORS' REPORT

The Auditor General of the State of Arizona and
The Honorable Mayor and City Council
of the City of Avondale, Arizona

We have audited the financial statements of City of Avondale, Arizona as of and for the year ended June 30, 2010, and have issued our separate report thereon dated January 14, 2011. We have also audited the accompanying Annual Expenditure Limitation Report of City of Avondale, Arizona for the year ended June 30, 2010. This report is the responsibility of the City's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall report presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Annual Expenditure Limitation Report was prepared for the purpose of complying with the uniform expenditure reporting system as discussed in Note 1, and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Annual Expenditure Limitation Report of City of Avondale, Arizona, for the year ended June 30, 2010, referred to above, presents fairly, in all material respects, the information required by the uniform expenditure reporting system on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the members of the Arizona State Legislature and for filing with the Auditor General of the State of Arizona and is not intended to be and should not be used by anyone other than these specified parties.

Casa Grande, Arizona
January 14, 2011

Tempe
2055 E. Warner Road
Suite 101
Tempe, AZ 85284-3487
(480) 839-4900
Fax (480) 839-1749

Scottsdale
7098 E. Cochise Road
Suite 100
Scottsdale, AZ 85253-4517
(480) 483-1170
Fax (480) 483-7126

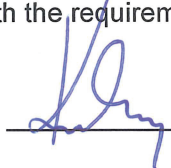
Casa Grande
1115 E. Cottonwood Lane
Suite 100
Casa Grande, AZ 85122-2950
(520) 836-8201
Fax (520) 426-9432

**CITY OF AVONDALE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART I
YEAR ENDED JUNE 30, 2010**

- | | |
|---|------------------------------|
| 1. Economic Estimates Commission expenditure limitation | \$ 45,327,365 |
| 2. Voter-approved alternative expenditure limitation (approved November 3, 2009) | <u>224,242,390</u> |
| 3. Enter applicable amount from line 1 or 2 | <u>\$ 224,242,390</u> |
| 4. Amount subject to the expenditure limitation (total amount from Part II, Line c) | <u>112,739,767</u> |
| 5. Amount under the expenditure limitation | <u><u>\$ 111,502,623</u></u> |

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the Uniform Expenditure Reporting System.

Signature of Chief Fiscal Officer: _____

 1-18-11

Name and Title: Kevin Artz, Director of Finance and Budget

Telephone Number: (623) 333-2011 Date: January 18, 2011

See accompanying note to the report.

**CITY OF AVONDALE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART II
YEAR ENDED JUNE 30, 2010**

<u>Description</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Trust Fund</u>	<u>Total</u>
a. Amounts reported on the Reconciliation, Line d	\$ 80,026,653	\$ 29,531,850	\$ 3,176,464	\$ 4,800	\$ 112,739,767
b. Less exclusions claimed ¹	-	-	-	-	-
c. Amount subject to the expenditure limitation	<u>\$ 80,026,653</u>	<u>\$ 29,531,850</u>	<u>\$ 3,176,464</u>	<u>\$ 4,800</u>	<u>\$ 112,739,767</u>

See accompanying note to the report.

¹ Exclusions are not applicable under state law because the City's voters passed an Alternative Expenditure Limitation Proposition.

CITY OF AVONDALE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
YEAR ENDED JUNE 30, 2010

<u>Description</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Trust Fund</u>	<u>Total</u>
a. Total expenditures or expenses and applicable other financing uses reported within the fund based statements.	\$ 80,026,653	\$ 29,449,844	\$ 3,102,055	\$ 4,800	\$ 112,583,352
b. Subtractions:					
Items not requiring use of working capital:					
1. Depreciation	-	11,751,815	37,332	-	11,789,147
2. Bad debt expense	-	297,862	-	-	297,862
3. Total subtractions	-	12,049,677	37,332	-	12,087,009
c. Additions:					
1. Principal payments on long-term debt	-	139,150	-	-	139,150
2. Acquisition of capital assets	-	11,992,533	111,741	-	12,104,274
3. Claims paid in the current year but reported as expenses incurred but not reported in previous years	-	-	-	-	-
4. Total additions	-	12,131,683	111,741	-	12,243,424
d. Amounts reported on Part II, Line a	<u>\$ 80,026,653</u>	<u>\$ 29,531,850</u>	<u>\$ 3,176,464</u>	<u>\$ 4,800</u>	<u>\$ 112,739,767</u>

See accompanying note to the report.

**CITY OF AVONDALE, ARIZONA
NOTE TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual Expenditure Limitation Report is presented on the basis of accounting prescribed by the *Uniform Expenditure Reporting System*, as required by Arizona Revised Statute §41-1279.07, and in accordance with the voter-approved alternative expenditure limitation plan adopted November 3, 2009, as authorized by the Arizona Constitution, Article IX, §20(9).